

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Neo Telemedia Limited 中國新電信集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8167)

PROFIT WARNING

This announcement is made pursuant to Rule 17.10 of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (“**Board**”) of directors (“**Directors**”) of Neo Telemedia Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) hereby informs the shareholders of the Company and potential investors that, based on the information currently available to the Board, the Group is expected to record a loss (the “**Expected Loss**”) attributable to the owners of the Company for the year ended 31 December 2018 (the “**Year**”) as compared to a profit attributable to the owners of the Company for the year ended 31 December 2017. The Board considers that the Expected Loss is mainly due to the following factors:

- (i) impairment losses of goodwill and intangible assets of approximately HK\$13.9 million and HK\$14.4 million respectively in relation to 廣東阿凡達財富投資管理有限公司 (Guangdong Avatar Wealth Investment Management Co., Ltd.*) (“**Avatar**”) and its Internet finance platform business, primarily attributable to the fact that Avatar is still in the process of carrying out rectification work on the operations of its Internet finance platform in accordance with the regulations issued by the local financial regulatory department. However, the possibility to complete the relevant filings is still uncertain.
- (ii) impairment loss of goodwill of approximately HK\$50 million in relation to Million Ace Limited and its subsidiaries (the “**Million Ace Group**”) and its sales of telecommunication products business, primarily attributable to the downturn and keen competition of the global mobile business environment which negatively affects the future expected revenue of Million Ace Group’s sales of telecommunication products business.
- (iii) write-off of accounts receivable of approximately HK\$37 million in relation to the Internet finance platform business as the recoverability of such receivables became uncertain.

Shareholders and investors are reminded that the aforesaid impairment losses of goodwill and intangible assets are non-cash in nature and do not have any impact on the operating cash flows of the Group and the Board remains positive on the prospects of the Group.

As the Company is still in the course of preparing its results for the Year, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the consolidated management accounts of the Group for the Year which have not been audited or reviewed by the Company's auditor or the audit committee of the Company. The overall financial results of the Group for the Year will only be ascertained when all the relevant results and corresponding treatments are finalised. The results of the Group for the Year are scheduled to be approved and announced by the Board by the end of March 2019.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Neo Telemedia Limited
CHEUNG Sing Tai
Deputy Chairman

Hong Kong, 8 March 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. CHEUNG Sing Tai (Deputy Chairman and Chief Executive Officer), Mr. XU Gang, Mr. TAO Wei and Mr. ZHANG Bo, one non-executive Director, namely Dr. LIE Haiquan (Chairman), and three independent non-executive Directors, namely Mr. ZHANG Zihua, Ms. XI Lina and Mr. HUANG Zhixiong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at www.neo-telemedia.com.

* for identification purpose only